

### Regarding Comments on Consultants and Outside Experts:

We believe there are two separate and distinct types of consultants involved in the E-rate Program and thus, two different issues. We make the distinction between consultants who are engaged by schools and libraries to assist them with their E-rate application and technology consultants who are engaged by schools and libraries to advise on technology solutions.

Regarding consultants who assist with applications: We disagree with the comments that advocate a registration of consultants. Identification of providers who complete the Forms 470 and 471 for a fee, similar to income tax forms, is worthy of consideration. The various state education agencies and state libraries employ people who assist their local schools and libraries with completion of the forms. This is a valuable service and is not done on a fee basis. It is normally part of their job description and they have job responsibilities, supervision, SLD training, and participation in groups such as the State E-rate Coordinators Alliance and ALA to ensure their proficiency.

Consultants who are in the business of assisting applicants with forms frequently possess little formal training and are not answerable to anyone for their level of proficiency. There is value in identifying these consultants, but only if the SLD uses this information to identify consultants who lack program knowledge based on denial rates.

Unfortunately, these solutions treat symptoms, rather than root causes. Even a cursory root cause analysis leads us to the conclusion that were the program rules and forms simplified, there would be little need for applicants to hire consultants to get them through the paperwork and nuances of the program. Rather than spend valuable time trying to determine the best way to identify or register consultants, the FCC and SLD would be better served by using that time to simplify the forms and processes.

Regarding consultants who assist with technology: We disagree with comments that this type of consulting is a conflict of interest. It can be a conflict if applicants and providers choose to use the relationship to circumvent public procurement practices. We believe that putting additional constraints on the use of technology consultants is detrimental to schools and libraries. Again, a little root cause analysis is in order.

Use of consultants, including outsourcing for technology solutions, is valuable to the applicant community. Traditionally, organizations outsource for one of three primary reasons: to reduce costs, because the job is too small to perform in-house, or because the job is not part of their core mission. For schools and libraries, technology is a tool used to enhance mission accomplishment. It is not the consultant's mission of educating students or providing public library services.

Only the largest schools and libraries have the resources to create technology coordinator positions within their organizations. Most applicants have neither the resources nor the expertise to staff a technology group. Most applicants must rely on outside consultants to plan and implement technology in the library and classroom. Even large applicants who have technology groups require outside assistance because their resources are spent assisting the staff who are accomplishing the missions of educating students and providing library services. They frequently have little time available for tracking new products and services and determining their applicability to the school or library mission.

Program rules and procedures must consider these basic "facts of life". The program rules and procedures should not deter or dissuade applicants from engaging outside assistance.

Although many service providers offer technology-consulting services, that should not, by itself, be a reason for denial or creation of additional rules. Our collective experience in public procurement indicates that the current rules are sufficient in this regard. It is not difficult for applicants and their consultants to ensure the public procurement process is not compromised. Nor should the reviewers at SLD assume that the procurement process is automatically tainted simply because a winner of a bid also provides consulting services. As an applicant since the beginning of the program, it appears the concept of innocent unless proven guilty has been turned upside down in the review process.

#### Regarding Competitive Bidding and Forms 470:

We concur with the assertion by the State E-Rate Coordinators' Alliance concerning the flaws in the Form 470 process. Competitive bidding has traditionally been an area solely under the purview of local authority. While one intention of the FCC in the original orders was to encourage and facilitate competition, the application of that concept to the E-rate Program has been beyond the scope of the original order.

We strongly believe that the federal level is too far removed from the requirements and procedures of local political subdivisions, such as schools and libraries, to "manage" local procurement processes. A "one size fits all" approach is clearly not workable and results in unnecessary delays and denials to applicants trying to do what's best for their school or library.

We submit an alternative approach may be worthy of consideration. Every state has procurement rules that apply to state government and frequently to political subdivisions below state level. We suggest that applicants be permitted to certify that they have adopted state procurement practices or that their own local rules are at least as stringent as state rules. While state procurement rules do not usually apply to schools and libraries, there is nothing to prohibit schools and libraries from adopting them as their own for the E-rate program. Likewise, where schools and libraries are part of city government, the program should defer to the local rules.

The FCC should establish minimum criteria for competitive bidding that could be followed by applicants who choose to do so rather than certifying compliance with state or city rules.

We suspect the SLD may be concerned that they would need to build a knowledge base of applicable state procurement rules. We submit that would not be the case if enforcement were through audits. If violations of procurement rules were discovered during an audit, then we suggest the FCC COMAD the funding commitment directly from the applicant, or bar the applicant from the E-rate Program for the period they were in violation if COMAD would present a financial hardship on the applicant. This process is similar to that used with grants where grant funds must be repaid if the terms of the grant are violated.

#### Regarding Comments on Distribution of Priority for Applicants that have not Achieved Connectivity:

We concur with the comments of E-Rate Central. The program has been a tremendous success in extending connectivity to schools and libraries. We believe the complexity of the program for small applicants is a much greater deterrent than cost of service. We believe that the best way to ensure all eligible entities have a minimum amount of connectivity is to greatly simplify the application and review process for elementary services such as local dial tone, long distance, and T-1 or less connectivity to the Internet. If this approach were adopted, the SLD could focus review resources on the more difficult complex services.

Regarding Technology Planning: We strongly concur with comments (SECA, Arkansas, EdLINK, Kellogg & Sovereign Consulting, and others) that technology plans should be consistent with USDOE and IMLS requirements. We believe that tasks such as analyzing lease versus purchase options are part of the procurement process, not the planning process. In recent years, USAC has moved technology plan requirements to technology specific and object oriented. Good plans are general and outcome oriented. We believe the best plans should describe a desired end state, as well as how technology will support or contribute to mission accomplishment.

The procurement process should determine the best mix of technology versus cost to support mission accomplishment. This is another reason to defer to state/local procurement rules. No federal level organization can be knowledgeable of local requirements. The heavy emphasis on a line item view of technology and procurement can lead to long-term problems. An item-by-item review cannot adequately assess the requirements for equipment and services to work together as an integrated unit. The whole is rarely ever the sum of the parts, but that is the philosophical approach being pursued by the FCC and it is detrimental to schools and libraries integrating technology into daily operations.